

BILL ANALYSIS

H.B. 2219
By: Solomons
Financial Institutions
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Financial institutions are served with process at small, remote branches. These small branch facilities may not get the documents to the right person for response in a timely manner. The result can be a default judgment.

H.B. 2219 amends the Civil Practice and Remedies Code to clarify the service of process on financial institutions.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2219 amends the Civil Practice and Remedies Code to state that "financial institution" has the meaning assigned by Section 201.101, Finance Code. H.B. 2219 states that in an action against a financial institution, citation may be served by serving the registered agent of the financial institution or if the financial institution does not have a registered agent, serving the president or a branch manager at any office located in this state. In an action against a credit union organized under the laws of this state, another state, or federal law, H.B. 2219 states citation may be served on the registered agent of the credit union or if the credit union does not have a registered agent, serving the president or vice president. H.B. 2219 provides that if citation has not been properly served as provided by this section, a financial institution may maintain an action to set aside the default judgment or any sanctions entered against the financial institution.

H.B. 2219 amends the Finance Code by deleting language that each officer is an agent for service of process for the bank. The bill also repeals Section 182.202(b). H.B. 2219 applies to all service of process served on or after September 1, 2007, regardless of whether the process was issued before, on, or after that date.

EFFECTIVE DATE

September 1, 2007.